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FISCAL IMPACT STATEMENT

LS 6571

BILL NUMBER: SB 179

NOTE PREPARED: Dec 22, 2008

BILL AMENDED:

SUBJECT: Annexation.

FIRST AUTHOR: Sen. Buck

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: *Waiver Expiration-* The bill provides that a waiver or release of the right of remonstrance against annexation effective after June 30, 2009, expires ten years after the date the waiver or release is executed.

Maximum Levy Adjustment- The bill provides that in determining a municipality's levy limits for a particular ensuing calendar year, the cap on increased assessed value applies to all annexations of a municipality occurring in the particular ensuing calendar year.

Remonstrance Petition Signatures- The bill reduces the number of signatures required on an annexation remonstrance petition from at least 65% of the owners of land in the annexed territory to at least 51% of the owners of land in the annexed territory.

Prohibition on Amending Before and After Hearing- The bill with certain exceptions: (1) requires a municipality to amend an annexation ordinance or fiscal plan before the public hearing on the annexation; and (2) prohibits a municipality from amending an annexation ordinance or fiscal plan after the public hearing on the annexation.

Provision of Capital Service- The bill provides that if it is consistent with the municipality's policy of providing capital services to areas within the corporate boundaries, a municipality may provide less than all of the capital services to areas within the annexed territory.

Effective Date: Upon passage; July 1, 2009.

Explanation of State Expenditures: *Maximum Levy Adjustment*- This provision clarifies that the maximum annexation increase to a civil taxing unit's maximum levy is 15% regardless of the number of annexations during the year. The Department of Local Government Finance (DLGF) currently administers the annexation adjustment in this fashion, so there is no fiscal impact to this provision.

Explanation of State Revenues:

Explanation of Local Expenditures: *Waiver Expiration*- This provision could increase the number of remonstrances if more landowners that previously did not have an ability to remonstrate were able to in the future.

Remonstrance Petition Signatures- The provision could make it easier for land owners from an area proposed to be annexed by ordinance to remonstrate. A municipality could have additional legal expenses to annex territory if more annexation ordinances are challenged by remonstrance. Under current law with certain exceptions, 65% of land owners in a territory to be annexed must sign a petition of remonstrance.

Provision of Capital Services- The annexing municipality may experience some savings on capital expenditures for services, but would have to provide at least the same level of services as other areas to which services have been extended within the corporate boundaries.

Explanation of Local Revenues:

State Agencies Affected: DLGF.

Local Agencies Affected: Municipalities annexing territory.

Information Sources:

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